



# Bakery Houses - China - May 2021

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## This report looks at the following areas:

- What does the market landscape look like and how long will it take to recover to pre-COVID levels and what does the future competition look like?
- What brands are winning and losing market share?
- How have consumption habits changed following the outbreak?
- What triggers are most likely to justify higher spending?
- How do bakery houses differentiate, both in terms of product and service, to stay ahead of the market?

Consumers are blurring the line between fresh and short shelf-life packaged bakery products. This is particularly true at O2O retailers as 32% of respondents have bought fresh unsealed bakery while 39% have bought short shelf-life packaged bakery at this channel.

As explained above, therefore, fresh bakeries need to take heed of the rise of O2O retailers, which satisfy diverse consumer needs and boast high accessibility, strong online capacities and resilient supply network. Nevertheless, it doesn't mean it's the doomsday for the market as bakery houses can reasonably leverage the inherent advantage in providing services to create memorable dining experiences and increase consumer attachment and thus retention purchases.



"The battlefield for fresh bakeries has expanded since COVID-19 has shifted consumers to the O2O retailers that are able to offer fresh and quality packaged bakery as well. Bakery houses need to leverage the inherent edge in premiumising products with functional ingredients and drive more consumption occasions for meals and snacking. In addition, providing value-added services can increase

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competitive market" – Wen  
J, Research Analyst

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